

GOVERNOR'S POLICY OVERVIEW

The Minner - Carney administration's unwavering commitment to fiscally responsible financial planning continues with the presentation of the Fiscal Year 2009 Recommended Operating Budget.

This budget is presented during a time of uncertainty in the national economy coupled with continuing increases in the demand for government services. The Minner - Carney administration's responsible budgeting practices over the years have enabled Delaware to successfully meet these challenges and remain resilient to the economic pressures. In addition, Delaware's solid financial base has been recognized nationally for excellence including the consistent reaffirmation of the State's AAA bond rating.

The proposed Fiscal Year 2009 Operating Budget totals \$3,410.8 million, an increase of 3.81 percent over the Fiscal Year 2008 Operating Budget. This budget, in combination with the Recommended Capital Budget and recommended set aside for Grants-In-Aid, is within the constitutionally mandated 98 percent limit on appropriations. In light of the uncertain economic climate, the Governor has prudently constrained agency budget growth by targeting additional funding to areas of critical core government services.

In addition, this budget will continue to build on the successes achieved during the Minner-Carney administration including:

- ◆ Schools that set high standards and prepare children for college, work and life;
- ◆ A Livable Delaware that strengthens communities and preserves quality of life;
- ◆ Health, safety and self-sufficiency for every Delaware family;
- ◆ Economic development that nurtures and maintains high quality jobs; and
- ◆ A state government that is well-managed.

SCHOOLS THAT SET HIGH STANDARDS AND PREPARE CHILDREN FOR COLLEGE, WORK AND LIFE

- ◆ The Governor recommends \$132.7 million in the Capital Budget for public education construction projects.
- ◆ The Governor recommends \$2.6 million for the full-day Kindergarten initiative bringing the total funding for this initiative to \$12.1 million. The appropriation will provide funding for full-day Kindergarten in eleven school districts, nine charter schools and will continue funding pilot classrooms in two additional school districts.

- ◆ The Governor recommends \$9.8 million for projected unit growth of 125 Division I, II and III units in the 2008-2009 school year.
- ◆ The Governor recommends \$3.0 million in Public School Transportation to address growing demand.
- ◆ The Governor recommends a total of \$2.8 million in support of Department of Education and Vision 2015 initiatives. This includes, but is not limited to, funding to begin implementation of the Delaware virtual school, early childhood success funding, funding for skills, knowledge and responsibilities pay supplements, funding for the vision network, and funding to address the growing population of limited english proficient (LEP) students.
- ◆ The Governor recommends an additional \$689,000 in SEED Scholarship funding bringing total funding for this initiative to \$3.1 million. This initiative provides college scholarships to eligible students graduating from Delaware high schools.
- ◆ The Governor recommends \$80,200 for an additional Reading Resource Teacher at a new school in the Smyrna School District. This initiative brings total funding to \$8.4 million and supports a total of 119 reading resource teachers statewide.
- ◆ The Governor recommends \$62,100 to fund an additional Math Specialist at a new school in the Indian River School District. Funding for this initiative totals \$2.8 million and supports 43 math specialists statewide.

A LIVABLE DELAWARE THAT STRENGTHENS COMMUNITIES AND PRESERVES QUALITY OF LIFE

- ◆ The Governor recommends continued support through dedicated revenue in the amount of \$10.0 million for Farmland Preservation and \$10.0 million for Open Space.
- ◆ The Governor recommends \$3.2 million in the Capital Budget for Conservation Cost Share projects to support best practices in the management of soil nutrients for urban and rural landowners.
- ◆ The Governor recommends \$2.2 million in the Capital Budget to continue the Beach Preservation program. These funds will be used for the Fenwick Island project and for statewide dune maintenance.
- ◆ The Governor recommends \$1.0 million in the Capital Budget for the Clean Water State Grant Match. Funding for this grant match is recommended through the Twenty-First Century

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Fund and will leverage an additional \$5.0 million in federal funding to improve water treatment facilities statewide.

- ◆ The Governor recommends \$250,000 for the Delaware Emergency Mortgage Assistance program (DEMAP). This program provides mortgage assistance loans to eligible Delaware families who are suffering from significant financial hardships.

HEALTH, SAFETY AND SELF-SUFFICIENCY FOR EVERY DELAWARE FAMILY

- ◆ The Governor recommends \$36.2 million for the Medicaid program to cover increasing health care costs and a client base that is projected to reach over 153,000 persons during Fiscal Year 2009.
- ◆ The Governor recommends the continued funding of \$16.2 million (all funds) to provide funding for a comprehensive list of cancer treatment initiatives as covered in the Cancer Council recommendations.
- ◆ The Governor recommends \$8.5 million in the Capital Budget in support of libraries throughout the State.
- ◆ The Governor recommends \$5.0 million in the Capital Budget for the Housing Development Fund to preserve the supply of low-income housing units for families in need.
- ◆ The Governor recommends \$4.5 million in the Capital Budget to complete the enhancements to the State's 800 MHz emergency radio communication system.
- ◆ The Governor recommends \$3.4 million for population growth in the juvenile justice system.
- ◆ The Governor recommends \$1.6 million for the Self Directed Services program (SDSP) to provide in-home rehabilitative services for persons with developmental disabilities.
- ◆ The Governor recommends \$1.3 million for Infant Mortality Task Force recommendations. This funding will be used to expand access to care to the uninsured population, annualize recommendations from Fiscal Year 2008 and to initiate three additional recommendations.
- ◆ The Governor recommends \$695,000 (all funds) for 10 new troopers. This funding coupled with the recently signed agreement with Sussex County will ultimately exceed the administration's goal of 680 troopers over the next several years.

- ◆ The Governor recommends \$250,600 to support initiatives to reduce health disparities in Delaware.
- ◆ The Governor recommends the initiation of a pilot Sunday Bus Service program for select routes in New Castle County to provide greater opportunities for the citizens of Delaware to access services and employment opportunities.

ECONOMIC DEVELOPMENT THAT NURTURES AND MAINTAINS HIGH QUALITY JOBS

- ◆ The Governor recommends \$8.0 million in the Capital Budget to the Strategic Fund. This fund provides a flexible funding mechanism for attracting new jobs and retaining existing jobs in Delaware.
- ◆ The Governor recommends \$2.0 million in the Capital Budget for the fifth year of funding for New Economy Initiative programs. This initiative focuses on expanding Delaware's research base in biotechnology and life sciences and supports the initiation of a regional infrastructure investment plan.
- ◆ The Governor recommends \$2.0 million in the Capital Budget for the Diamond State Port Corporation.
- ◆ The Governor recommends \$1.0 million in the Capital Budget for the Fraunhofer Center for Molecular Biotechnology for vaccine development efforts. These funds represent the third year of a five-year commitment and are projected to leverage a total of \$10.0 million in private funding.

A STATE GOVERNMENT THAT IS WELL-MANAGED

- ◆ The Governor recommends \$21.0 million in the Capital Budget for minor capital improvements, equipment purchases and maintenance and restoration of State facilities. These funds are intended to maintain state-owned facilities in a safe condition and improve the functionality of buildings, grounds and building systems.
- ◆ The Governor recommends \$3.7 million in the Capital Budget to continue the implementation of the ERP Project to replace the Delaware Financial Management System (DFMS) and the Department of Transportation's BACIS accounting system and to upgrade and add functionality to the Payroll/Human Resource Statewide Technology (PHRST) system. The implementation of this system will provide one financial management system statewide and integrate with PHRST system.